

# Congress of the United States

Washington, DC 20510

November 23, 2021

The Honorable Nancy Pelosi  
The Speaker of the House  
U.S. Capitol  
Washington, D.C. 20515

The Honorable Richie Neal  
Chairman  
Committee on Ways and Means  
1102 Longworth House Office Building  
Washington D.C. 20515

Dear Madam Speaker and Chairman Neal:

We greatly appreciate your leadership in negotiating with the Senate to ensure that the House is able to deliver on the President's Build Back Better agenda. As you continue to work for a tax system that works for everyone, we wanted to make you aware of an issue that we are hearing from our constituents.

Selling online has empowered millions of Americans to supplement income and find a second life for used goods by connecting with buyers online. As so many Americans have struggled to make ends meet, particularly during the pandemic, selling used personal goods online has been a much-needed economic lifeline. However, a change in tax reporting requirements passed in the American Rescue Plan earlier this year will have the unintended consequence of hurting those selling used goods online, causing confusion and raising significant privacy concerns.

As you know, Congress lowered the threshold for issuing a 1099-K in Section 9674 of the American Rescue Plan. We are concerned that as currently implemented, millions of Americans with non-taxable events are going to be confused by receiving 1099-K forms when the law goes into effect. A used good sold for less than the original purchase price will not create any taxable income. Yet these transactions will now trigger IRS reporting requirements, yielding confusion and ultimately overreporting of income, which could result in overpayment as well as ineligibility for certain tax benefits.

It is important to note that these types of non-taxable transactions do not hinder low-income individuals' ability to claim critical benefits like the Earned Income Tax Credit (EITC) or Child Tax Credit (CTC) since if there is no profit there is no taxable income.

Further, Section 9674 of the American Rescue Plan will require online platforms to collect more personal information from Americans selling online, raising serious privacy concerns. In order to issue a form 1099-K, platforms will be required to collect Social Security numbers from Americans selling online.

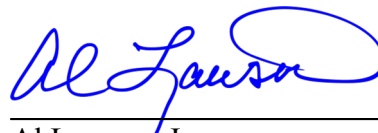
Given that this provision is due to go into effect on January 1, 2022, we urge you to consider

raising the threshold for 1099-K for goods sold on marketplaces before the end of this year. We can close the tax gap while ensuring Americans do not pay more than they owe and while limiting potential personal information being provided online.

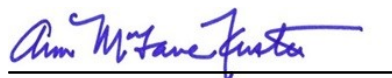
Sincerely,



Chris Pappas  
Member of Congress



Al Lawson, Jr.  
Member of Congress



Ann McLane Kuster  
Member of Congress



Cynthia Axne  
Member of Congress



Ted Lieu  
Member of Congress



Lucy McBath  
Member of Congress



Haley M. Stevens  
Member of Congress



Deborah K. Ross  
Member of Congress



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Mike Levin  
Member of Congress



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Marc A. Veasey  
Member of Congress



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Anna G. Eshoo  
Member of Congress



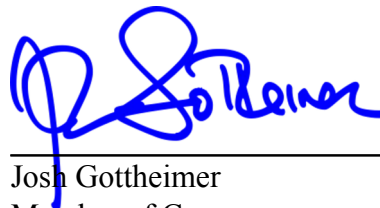
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Ed Perlmutter  
Member of Congress



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Eric Swalwell  
Member of Congress



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Josh Gottheimer  
Member of Congress



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Chrissy Houlahan  
Member of Congress



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Kurt Schrader  
Member of Congress